



DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

Child and Adult Care Food Program: National Average Payment Rates, Day Care Home Food Service Payment Rates, and Administrative Reimbursement Rates for Sponsoring Organizations of Day Care Homes for the Period July 1, 2023 through June 30, 2024

AGENCY: Food and Nutrition Service, Agriculture (USDA).

ACTION: Notice.

SUMMARY: This notice announces the annual adjustments to the national average payment rates for meals and snacks served in child care centers, outside-school-hours care centers, at-risk afterschool care centers, and adult day care centers; the food service payment rates for meals and snacks served in day care homes; and the administrative reimbursement rates for sponsoring organizations of day care homes, to reflect changes in the Consumer Price Index. Further adjustments are made to these rates to reflect the higher costs of providing meals in Alaska, Guam, Hawaii, Puerto Rico, and Virgin Islands. The adjustments contained in this notice are made on an annual basis each July, as required by the laws and regulations governing the Child and Adult Care Food Program.

DATES: These rates are effective from July 1, 2023 through June 30, 2024.

FOR FURTHER INFORMATION CONTACT: Penny Burke, Branch Chief, Program Monitoring and Operational Support Division, Child Nutrition Programs, FNS USDA, 1320 Braddock Place, Suite 401, Alexandria, Virginia 22314. 303-844-0357.

SUPPLEMENTARY INFORMATION:

Special Note:

This Notice reflects the June 30, 2023 expiration of the temporary reimbursement rates provided under the Keep Kids Fed Act of 2022 (Pub. L. 117-158), which included an additional 10 cents per meal reimbursement rate and temporary Tier I reimbursement rates for Tier II family day

care homes. The reimbursement rates in this Notice reflect an adjustment to the base rates from 2022-2023¹.

While the USDA Food and Nutrition Service (FNS) does not have the authority to adjust reimbursement rates above inflation in the contiguous United States (CONUS), pursuant to section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) USDA may make adjustments to reimbursement rates in the outlying areas to reflect differences between the cost of providing meals and supplements in those areas and the costs of providing meals and supplements in all other States. Therefore, FNS is temporarily increasing the reimbursement rates for the child nutrition programs in Guam, Hawaii, Puerto Rico, and the Virgin Islands² to 30 percent above CONUS rates beginning July 1, 2023. This adjusted rate will be applied beginning on July 1, 2023, until further notice.

Background

Pursuant to sections 4, 11, and 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1753, 1759a and 1766), section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) and 7 CFR 226.4, 226.12 and 226.13 of the Program regulations, notice is hereby given of the new payment rates for institutions participating in the Child and Adult Care Food Program (CACFP). As provided for under the law, all rates in the CACFP must be revised annually, on July 1, to reflect changes in the Consumer Price Index (CPI), published by the Bureau of Labor Statistics of the United States Department of Labor, for the most recent 12-month period. These rates are in effect during the period of July 1, 2023 through June 30, 2024.

Adjusted Payments

The following national average payment factors and food service payment rates for meals and snacks are in effect from July 1, 2023 through June 30, 2024. All amounts are expressed in dollars or fractions thereof. Due to a higher cost of living, the reimbursements for Alaska, Guam,

¹ <https://www.govinfo.gov/content/pkg/FR-2022-07-26/pdf/2022-15893.pdf> - Reference Page - 44329

² Guam, Puerto Rico, and Virgin Islands will receive the same rate as Hawaii for Child and Adult Care Food Program.

Hawaii, Puerto Rico, and Virgin Islands are higher than those for all other States. The District of Columbia uses the figures specified for the contiguous States. These rates do not include the value of USDA Foods or cash-in-lieu of USDA Foods, which institutions receive as additional assistance for each lunch or supper served to participants under the Program. A notice announcing the value of USDA Foods and cash-in-lieu of USDA Foods is published separately in the *Federal Register*.

Adjustments to the national average payment rates for all meals served under the Child and Adult Care Food Program are rounded down to the nearest whole cent.

National Average Payment Rates for Centers

The changes in the national average payment rates for centers reflect an 8.27 percent increase during the 12-month period from May 2022 to May 2023 (from 325.952 in May 2022, as previously published in the *Federal Register*, to 352.892 in May 2023) in the food away from home series of the CPI for All Urban Consumers.

Payments for breakfasts served are: Contiguous States paid rate – 38 cents (3 cents increase from the 2022-2023³ base rate), reduced price rate – 1 dollar and 98 cents (17 cents increase), free rate – 2 dollars and 28 cents (17 cents increase); Alaska - paid rate – 58 cents (4 cents increase), reduced price rate – 3 dollars and 36 cents (28 cents increase), free rate – 3 dollars and 66 cents (28 cents increase); Guam, Hawaii, Puerto Rico and Virgin Islands paid rate – 47 cents (7 cents increase), reduced price rate – 2 dollars and 65 cents (49 cents increase), free rate – 2 dollars and 95 cents (49 cents increase).

Payments for lunch or supper served are: Contiguous States paid rate – 40 cents (3 cents increase), reduced price rate – 3 dollars and 85 cents (32 cents increase), free rate – 4 dollars and 25 cents (32 cents increase); Alaska paid rate – 66 cents (5 cents increase), reduced price rate – 6 dollars and 50 cents (53 cents increase), free rate – 6 dollars and 90 cents (53 cents increase);

³ Rates reflect adjustment to the SY 2022-2023 base rate and does not include the decrease from the expiration of the temporary rates included in Keep Kids Fed Act of 2022 (Pub. L. 117-158)

Guam, Hawaii, Puerto Rico and Virgin Islands - paid rate – 53 cents (9 cents increase), reduced price rate – 5 dollars and 14 cents (94 cents increase), free rate – 5 dollars and 54 cents (94 cents increase).

Payments for snack served are: Contiguous States - paid rate – 10 cents (1 cents increase), reduced price rate – 58 cents (4 cents increase), free rate – 1 dollar and 17 cents (9 cents increase); Alaska – paid rate – 17 cents (1 cent increase), reduced price rate – 94 cents (7 cent increase), free rate – 1 dollar and 89 cents (14 cents increase); Guam, Hawaii, Puerto Rico and Virgin Islands - paid rate – 13 cents (2 cents increase), reduced price rate – 76 cents (13 cents increase), free rate – 1 dollar and 52 cents (26 cents increase).

Food Service Payment Rates for Day Care Homes

The changes in the food service payment rates for day care homes reflect a 5.80 percent increase during the 12-month period from May 2022 to May 2023 (from 285.953 in May 2022, as previously published in the *Federal Register*, to 302.535 in May 2023) in the food at home series of the CPI for All Urban Consumers.

Payments for breakfast served are: Contiguous States - Tier I – 1 dollar and 65 cents (9 cents increase from the 2022-2023 base rate) and Tier II – 59 cents (3 cents increase); Alaska - Tier I – 2 dollars and 63 cents (14 cents increase) and Tier II – 92 cents (5 cents increase); Guam, Hawaii, Puerto Rico and Virgin Islands - Tier I – 2 dollar and 12 cents (31 cents increase) and Tier II - 75 cents (10 cents increase).

Payments for lunch and supper served are: Contiguous States - Tier I – 3 dollars and 12 cents (18 cents increase) and Tier II – 1 dollar and 88 cents (10 cents increase); Alaska – Tier I – 5 dollars and 5 cents (28 cents increase) and Tier II – 3 dollars and 5 cents (17 cents increase); Guam, Hawaii, Puerto Rico and Virgin Islands - Tier I – 4 dollars and 5 cents (60 cents increase) and Tier II – 2 dollar and 44 cents (36 cents increase).

Payments for snack served are: Contiguous States - Tier I – 93 cents (6 cents increase) and Tier II – 25 cents (1 cent increase); Alaska - Tier I – 1 dollar and 50 cents (8 cents increase) and Tier

II – 41 cents (2 cents increase); Guam, Hawaii, Puerto Rico and Virgin Islands - Tier I – 1 dollar and 20 cents (18 cents increase) and Tier II – 33 cents (5 cents increase).

Administrative Reimbursement Rates for Sponsoring Organizations of Day Care Homes

The changes in the administrative reimbursement rates for sponsoring organizations of day care homes reflect a 4.05 percent increase during the 12-month period, May 2022 to May 2023 (from 292.296 in May 2022, as previously published in the *Federal Register*, to 304.127 in May 2023) in the series for all items of the CPI for All Urban Consumers.

Monthly administrative payments to sponsors for each sponsored day care home are:

Contiguous States - Initial 50 homes – 142 dollars (5 dollar increase from 2022-2023 annual level), next 150 homes – 108 dollars (4 dollar increase), next 800 homes – 85 dollars (4 dollar increase), each additional home – 75 dollars (3 dollar increase); Alaska - Initial 50 homes – 230 dollars (9 dollar increase), next 150 homes – 176 dollars (7 dollar increase), next 800 homes – 137 dollars (5 dollar increase), each additional home – 121 dollars (5 dollar increase); Guam, Hawaii, Puerto Rico and Virgin Islands - Initial 50 homes – 185 dollars (25 dollar increase), next 150 homes – 141 dollars (19 dollar increase), next 800 homes – 110 dollars (15 dollar increase), each additional home – 97 dollars (13 dollar increase).

Payment Chart

The following chart illustrates the national average payment factors and food service payment rates for meals and snacks in effect from July 1, 2023 through June 30, 2024.

CHILD AND ADULT CARE FOOD PROGRAM (CACFP) <i>Per Meal Rates in Whole or Fractions of U.S. Dollars</i> <i>Effective from July 1, 2023 - June 30, 2024</i>						
CENTERS		BREAKFAST		LUNCH AND SUPPER¹		SUPPLEMENT
CONTIGUOUS STATES	PAID	0.38		0.40		0.10
	REDUCED PRICE	1.98		3.85		0.58
	FREE	2.28		4.25		1.17
ALASKA	PAID	0.58		0.66		0.17
	REDUCED PRICE	3.36		6.50		0.94
	FREE	3.66		6.90		1.89
GUAM, HAWAII, PUERTO RICO and VIRGIN ISLANDS	PAID	0.47		0.53		0.13
	REDUCED PRICE	2.65		5.14		0.76
	FREE	2.95		5.54		1.52
DAY CARE HOMES		BREAKFAST		LUNCH AND SUPPER		SUPPLEMENT
		TIER I	TIER II	TIER I	TIER II	TIER I TIER II
CONTIGUOUS STATES		1.65	0.59	3.12	1.88	0.93 0.25
ALASKA		2.63	0.92	5.05	3.05	1.50 0.41
GUAM, HAWAII, PUERTO RICO and VIRGIN ISLANDS		2.12	0.75	4.05	2.44	1.20 0.33
ADMINISTRATIVE REIMBURSEMENT RATES FOR SPONSORING ORGANIZATIONS OF DAY CARE HOMES <i>Per Home/Per Month Rates in U.S. Dollars</i>				Initial 50	Next 150	Next 800 Each Additional
CONTIGUOUS STATES				142	108	85 75
ALASKA				230	176	137 121
GUAM, HAWAII, PUERTO RICO and VIRGIN ISLANDS				185	141	110 97

¹These rates do not include the value of USDA Foods or cash-in-lieu of USDA Foods which institutions receive as additional assistance for each CACFP lunch or supper served to participants. A notice announcing the value of USDA Foods and cash-in-lieu of USDA Foods is published separately in the *Federal Register*.

This action is not a rule as defined by the Regulatory Flexibility Act (5 U.S.C. 601-612) and thus is exempt from the provisions of that Act. This notice has been determined to be exempt under Executive Order 12866.

CACFP is listed in the Catalog of Federal Domestic Assistance under No. 10.558 and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 2 CFR 415.3-415.6).

This notice imposes no new reporting or recordkeeping provisions that are subject to OMB review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3518).

Authority: Sections 4(b)(2), 11a, 17(c) and 17(f)(3)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1753(b)(2), 1759a, 1766(f)(3)(B) and section 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(B)).

Cynthia Long,
Administrator,
Food and Nutrition Service.

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